

STANDARD TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER
FROM FACILITIES OF 5 MW OR LESS

1. GENERAL PROVISIONS

- (a) Application of Terms and Conditions, Schedules, and Riders - All previous agreements in effect at the time of the approval hereof or that may be entered into in the future, are made expressly subject to these Terms and Conditions, and subject to all applicable Schedules and Riders, and any Commission approved changes, revisions or alterations.
- (b) Conflicts - In case of conflict between any provision of a Schedule or Rider and of these Terms and Conditions, the provision of the Schedule or Rider shall prevail.
- (c) Transfer of Agreement - The Agreement may be transferred and assigned by Seller to any person, firm, or corporation purchasing or leasing and intending to continue the operation of the plant or business which is interconnected under the Agreement, subject to the written approval of Company. Company will grant such approval upon being reasonably satisfied that the assignee will fulfill the terms of the Agreement and if, at Company's option, a satisfactory guarantee for the payment of any applicable bills is furnished by assignee.
- (d) Suspension of Sales Under Agreement at Seller's Request - If Seller is temporarily unable to produce the electricity contracted for due to physical destruction of, or damage to, his premises, Company will, upon written request of Seller, and for a period Company deems reasonably required to replace or repair such premises, suspend billing under the Agreement, exclusive of any Monthly Facilities Charges, effective with the beginning of the next sales period provided the term of the Agreement is extended for an equivalent length of time. If Seller desires to produce electricity in a lesser amount than that provided in the Agreement, it will be purchased, by Company, under Company's schedules and riders applicable to that level of production; however, such purchases will not limit the extension of the term of the Agreement.
- (e) Termination of Agreement at Seller's Request - If Seller desires to terminate the Agreement, Company will agree to such termination if Company is satisfied that Seller no longer can produce electricity at the premises and all bills for services previously rendered to Seller, plus any applicable termination charges, have been paid. Termination charges shall consist of (1) where Seller's additional facilities are discontinued or terminated in whole or in part before Company's then existing additional facilities have been in service ten consecutive years, if served from Company's distribution system, or twenty consecutive years, if served from Company's transmission system, a termination charge to be determined by adding to the estimated original installed cost of said additional facilities, an estimated removal cost, subtracting therefrom the estimated salvage value of such facilities, which amount will then be reduced 10% for each full year the additional facilities shall have been in service, if served from Company's distribution system, or 5%, if served from Company's transmission system, (2) a termination charge as specified in the Agreement for nonstandard equipment associated with additional facilities, and (3) any applicable termination charges for premature termination of capacity as set forth in Company's filed tariffs and Section 4(d) and 5 of these Terms and Conditions.

Company may waive the foregoing provision if Company has secured or expects to secure from a new occupant or operator of the premises an agreement satisfactory to Company for the delivery of electricity to Company for a term not less than the unexpired portion of Agreement.

- (f) Company's Right to Terminate or Suspend Agreement - Company, in addition to all other legal remedies, may either terminate the Agreement or suspend purchases of electricity from Seller (1) for any default or breach of the Agreement by Seller, (2) for fraudulent or unauthorized use of Company's meter, (3) for failure to pay any applicable bills when due and payable, (4) for a condition on Seller's side of the point of delivery actually known by Company to be, or which Company reasonably anticipates may be, dangerous to life or property, (5) due to Seller's inability to deliver to Company the quality and/or quantity of electricity mutually agreed to in the Agreement, or (6) at any time when Company would incur additional cost from making such purchases above that which Company would incur from generating its own electricity or purchasing electricity from other available sources.

No such termination or suspension, however, will be made by Company without written notice delivered to Seller, personally or by mail, stating the reason for termination, except that no notice need to be given in instances set forth in 1.(f)(2) and 1.(f)(4) above, and verbal notification will be accepted for Item 1.(f)(6) above.

Failure of Company to terminate the Agreement or to suspend the purchase of electricity at any time after the occurrence of grounds therefore, or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect Company's right later to resort to any one or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

Any suspension of the purchase of electricity by Company or termination of the Agreement upon any authorized grounds shall in no way operate to relieve Seller of Seller's liability to compensate Company for services and/or facilities supplied, nor shall it relieve Seller (1) of Seller's liability for the payment of minimum monthly charges during the period of suspension, nor (2) of Seller's liability for damages, if the Agreement has been terminated, in the amount of (a) the minimum monthly charges which would have been payable during the unexpired term of the Agreement plus (b) the Early Contract Termination charge as set forth in these Terms and Conditions. Whenever the purchase of electricity is suspended for any authorized reason, Company will make a charge of \$15.00 for the restoration of purchases, except for suspension under 1.(f)(6).

- (g) Miscellaneous - If Seller requires supplementary, standby, or interruptible power from Company, Seller shall enter into a separate Retail Service Agreement or amend an existing Retail Service Agreement, as appropriate, in accordance with Company's applicable electric service tariffs on file with and authorized by the state regulatory agency having jurisdiction. The Agreement shall not be used for the sale of any electric service by Company to Seller. Special contractual provision shall be required when Seller's interconnection facilities involve special additional facilities or when the requested Contract Capacity exceeds 20 kW single-phase.

2. CONDITIONS OF SERVICE

- (a) Company is not obligated to purchase electricity from Seller unless and until: (1) the Agreement is executed by Seller and accepted by Company; (2) in cases where it is necessary to cross private property to accept delivery of electricity from Seller, Seller conveys or causes to be conveyed to Company, without cost to Company, a right-of-way easement, satisfactory to Company, across such private property which will provide for the

construction, maintenance, and operation of Company's lines and facilities, necessary to receive electricity from Seller; provided, however, in the absence of a formal conveyance, Company nevertheless, shall be vested with an easement over Seller's premises authorizing it to do all things necessary including the construction, maintenance, and operation of its lines and facilities for such purpose; and (3) any inspection certificates or permits that may be required by law in the local area are furnished to Company. Where not required by law, an inspection by a Company-approved inspector shall be made at Seller's expense. In the event Seller is unable to secure such necessary rights-of-way, Seller shall reimburse Company for all costs Company may incur for the securing of such rights-of-way.

- (b) Seller's interconnection facilities shall be designed to accepted engineering standards and Seller shall submit a facility description, including equipment specifications, to Company for review prior to the connection of said facility and equipment to Company's system. Company's review shall not be construed as confirming nor endorsing Seller's design nor as any warranty as to the safety, durability, or reliability of Seller's facility or equipment. Company shall not, by reason of its review or failure to review, be responsible for the reliability, design, adequacy, safety, or capacity of Seller's facility or equipment, nor shall Company's acceptance be deemed to be an endorsement of any facility or equipment.
- (c) If electricity is received through lines which cross the lands of the United States of America, a state, or any agency or subdivision of the United States of America or of a state, Company shall have the right, upon 30 days' written notice, to discontinue receiving electricity from any Seller or Sellers interconnected to such lines, if and when (1) Company is required by governmental authority to incur expense in the relocation or the reconstruction underground of any portion of said lines, unless Company is reimbursed for such expense by Sellers or customers connected thereto, or (2) the right of Company to maintain and operate said lines is terminated, revoked, or denied by such governmental authority for any reason.

3. PURCHASES OF ELECTRICITY

If Seller desires to purchase electricity from Company through the same point of interconnection used by Seller in supplying power to Company, and Company approves, then Seller shall execute a separate agreement for such purchases in accordance with Company's Rate Schedules, Riders, and Service Regulations as filed with the regulatory authority having jurisdiction. Company's purchases of electricity from Seller and sales to Seller shall be separately metered.

4. CONTRACT CAPACITY

- (a) The Contract Capacity shall be the kW of capacity specified in the Agreement. In cases where any change is required in Company's facilities due to the actual capacity delivered exceeding the Contract Capacity or due to Seller requesting an increase in the capacity of Company's facilities, Company may require Seller to execute a new agreement or amend an existing Agreement, thereby establishing a new Contract Capacity. If Company's facilities cannot be upgraded to accept such actual or requested increase, then upon written notice, Seller shall not exceed the existing Contract Capacity or such amount in excess thereof as Company determines it is able to accept.
- (b) If Seller increases his generating capacity without adequate notice to Company, and without receiving Company's consent, and such unauthorized increase causes loss of or damage to Company's facilities, Seller shall reimburse Company for all such losses and/or damages.
- (c) Either Company or Seller may require that a new Contract Capacity be determined when it

reasonably appears that the capacity of Seller's generating facility will deviate from contracted or established levels for any reason, including, but not limited to, a change in water flow, steam supply, or fuel supply.

- (d) In the event that the Contract Capacity is terminated, in whole or in part, prior to the completion of the term of the Agreement, the Seller shall pay to Company a penalty as set forth in 5. below.

Increase in Contract Capacity

Seller may apply to Company to increase the Contract Capacity during the contract period and, upon approval by Company, future Monthly Delivered Capacities shall not exceed the revised Contract Capacity. If such increase in Contract Capacity results in additional costs associated with redesign or a resizing of Company's facilities, such additional costs to Seller shall be determined in accordance with these Terms and Conditions.

5. EARLY CONTRACT TERMINATION OR REDUCTION IN CONTRACT CAPACITY

If Seller terminates the Agreement or reduces the Contract Capacity prior to the expiration of the initial (or extended) term of the Agreement, the following payment shall be made to Company by Seller:

Early Contract Termination

Payment shall be the summation of all Monthly Capacity Credits paid by Company to Seller times the number of months remaining in the contract period divided by the total number of months in the contract period plus a payment for additional facilities as calculated pursuant to paragraph 10 of these Terms and Conditions.

Reduction In Contract Capacity

Payment shall be a quantity equal to the amount as calculated under the Early Contract Termination clause multiplied by the ratio of the capacity reduction to existing Contract Capacity.

6. QUALITY OF ENERGY RECEIVED

- (a) Seller has full responsibility for the routine maintenance of his generating and protective equipment to insure that reliable, utility grade electric energy is being delivered to Company.
- (b) Seller's facility shall be operated in such a manner as to generate reactive power as may be reasonably necessary to maintain voltage levels and reactive area support as specified by Company.
- (c) Seller may operate direct current generators in parallel with Company through a synchronous inverter. The inverter installation shall be designed such that a utility system interruption will result in the removal of the inverter infeed into the Company's system. Harmonics generated by a DC generator-inverter combination must not adversely affect Company's supply of electric service to, or the use of electric service by Company's other customers, and any correction thereof is the full responsibility of Seller.
- (d) Failure of Seller to comply with either (a), (b), or (c) above will constitute grounds for Company to cease parallel operation with Seller's generation equipment and constitute grounds for termination or suspension of the Agreement as set forth under Item 1.(f) above.

7. BILLING

- (a) Company's meters will be read as nearly as practicable at regular intervals of not less than 28 days and not more than 34 days.
- (b) If Company is unable to read its purchase meter for any reason, Seller's production may be estimated by Company on the basis of Seller's production during the preceding billing period for which readings were obtained, unless some unusual condition is known to exist. A bill or payment rendered on the basis of such estimate shall be as valid as if made from actual meter readings.
- (c) The term "Month" or "Monthly", as used in Company's Schedules and Riders, refers to the interval transpiring between the previous meter reading date and the current reading date and bills shall be rendered accordingly, except that if the period covered by an initial or final bill, or due to rerouting of the meter reading schedule, is more or less than 28-34 days, the bill will be prorated based on a 30-day billing month.
- (d) Payments for capacity and/or energy will be made to Seller based on the rate schedule stated in the Agreement.

8. METER STOPPAGE OR ERROR

In the event a meter fails to register accurately within the allowable limits established by the state regulatory body having jurisdiction, Company will adjust the measured energy for the period of time the meter was shown to be in error, not exceeding 60 days, just prior to the removal of such meter from service and shall, as provided in the rules and regulations of the state regulatory body having jurisdiction, pay to Seller, or Seller shall refund to Company, the difference between the amount billed and the estimated amount which would have been billed had the meter not exceeded the allowable limits. No part of any minimum service charge shall be refunded.

9. POINT OF INTERCONNECTION

The point of interconnection is the point where Company's conductors are, or are to be, connected to Seller's conductors. Seller shall do all things necessary to bring his conductors to such point of interconnection for connection to Company's conductors, and shall maintain said conductors in good order at all times. If Seller chooses to deliver power to Company through a point of delivery where Seller presently receives power from Company, then the point of interconnection shall be the same point as the point of delivery.

10. INTERCONNECTION FACILITIES

- (a) By Company: Company shall install, own, operate, and maintain all lines and equipment located on its side of the point of interconnection. It shall also install and own the necessary metering equipment, and meter transformers, where necessary, for measuring the electricity delivered to Company, though such meter may be located on Seller's side of the point of interconnection. Interconnection facilities, installed by either Company or Seller, solely for such purpose, include, but are not limited to connection, line extension, transformation, switching equipment, protective relaying, metering, telemetering, communications, and appropriate safety equipment.

Any interconnection facilities installed by Company, as Company in its sole discretion deems necessary to receive power from Seller shall be considered additional facilities and shall be provided under the following conditions:

- (1) The facilities will be of a kind and type normally used by or acceptable to Company and will be installed at a place and in a manner satisfactory to Company.
 - (2) Seller will pay to Company a Monthly Facilities Charge of 2.0 percent of the estimated original installed cost and rearrangement cost of all such facilities, including metering, required to accomplish the interconnection.
 - (3) If Company increases its investment, other than replacement of existing equipment with equipment of equal capacity and kind, in interconnection facilities or other special facilities required to interconnect with Seller (including conversion of the Company's primary voltage to a higher voltage), the Monthly Facilities Charge for providing the additional facilities will be adjusted at that time. Seller may terminate the additional facilities in accordance with the applicable termination provisions, 1.(e)(1) or 1.(e)(2) above, or continue the additional facilities under the changed conditions.
 - (4) In lieu of the Monthly Facilities Charge of 2.0 percent, Seller may elect to make a contribution equal to the total additional facilities investment as described in 10.(a)(2) and (3) above. After such payment, the Monthly Facilities Charge for the additional facilities will be 1.0 percent of said payment.
 - (5) The Monthly Facilities Charge as determined in 10.(a)(2),(3), or (4) above shall continue regardless of the term of the Agreement until Seller no longer has need for such facilities. In the event Seller's interconnection facilities should be discontinued or terminated in whole or in part, such discontinuation or termination shall be calculated in accordance with 1.(e) above.
 - (6) Seller's wiring and appurtenant structures shall provide for the location, connection, and installation of Company's standard metering equipment or other equipment deemed necessary by Company for the metering of Seller's electrical output. Company shall, at its expense, be permitted to install, in Seller's wiring or equipment, any special metering devices or equipment as Company deems necessary for experimental or monitoring purposes.
 - (7) Company shall not be required to make such installation of facilities in addition to those normally provided until Seller has signed such agreement, including provisions for termination, as may be required by Company.
- (b) By Seller: Seller shall install, own, operate, and maintain all lines and equipment, exclusive of Company's meter and meter transformers on Seller's side of the point of interconnection. Seller will be the owner and have the exclusive control of, and responsibility for, all electricity on Seller's side of the point of interconnection. Seller's wiring shall be arranged such that all electricity generated for sale can be supplied to one point of interconnection and measured by a single meter. Except under special circumstances, Company's meter will be located on Seller's side of the point of interconnection, and when it is to be so located Seller must make suitable provisions in Seller's wiring, at a place suitable to Company, for the convenient installation of the type of meter Company will use. All of Seller's conductors installed on the Company's side of the meter and not installed in conduit must be readily visible.

Seller shall install and maintain devices adequate to protect Seller's equipment against irregularities on Company's system, including devices to protect against single-phasing. Seller shall also install and maintain such devices as may be necessary to automatically

disconnect Seller's generating equipment, which is operated in parallel with Company, when service provided by Seller is affected by electrical disturbances on Company's or Seller's systems, or at any time when Company's system is de-energized from its prime source.

- (c) Access to Premises: The duly authorized agents of Company shall have the right of ingress and egress to the premises of Seller at all reasonable hours for the purpose of reading meters, inspecting Company's wiring and apparatus, changing, exchanging, or repairing Company's property on the premises of Seller, or removing such property at the time of or at any time after suspension of purchases or termination of the Agreement.
- (d) Protection: Seller shall protect Company's wiring and apparatus on Seller's premises and shall permit no one but Company's agents to handle same. In the event of any loss of or damage to such property of Company caused by or arising out of carelessness, neglect, or misuse by Seller, Seller's employees or agents, Seller shall reimburse Company for all such loss or damage including all repair costs. In cases where Company's service facilities on Seller's premises require abnormal maintenance due to Seller's operation, Seller shall reimburse Company for all such abnormal maintenance.

11. CONTINUANCE OF PURCHASES AND LIABILITY THEREFORE

Company does not guarantee continuous purchases but shall use reasonable diligence at all times to provide for uninterrupted acceptance of electricity and having used reasonable diligence shall not be liable to Seller for damage, for failure in, or for interruptions or suspensions of the same.

Company reserves the right to suspend purchases without liability on its part at such times and for such periods and in such manner as it may deem advisable (a) for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations, and facilities, (b) in cases where in its opinion, the continuance of purchases from Seller's facility would endanger persons or property, and (c) for other reasons as stated in 1.(f) above.

In the event of an adverse condition or disturbance on the system of Company, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas in order to limit the extent or damage of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, Company may, without incurring liability, interrupt service to customers or areas, interrupt purchases from sellers, and take such other action as appears reasonably necessary.

Seller shall be responsible for insuring the safe operation of his equipment at all times, and will install and maintain, to Company's satisfaction, the necessary automatic equipment to prevent the backfeed of power into, or damage to Company's de-energized system, and shall be subject to immediate disconnection of his equipment from Company's system if Company determines that such equipment is unsafe or adversely affects Company's transmission/distribution system or service to its other customers.

Seller assumes responsibility for and shall indemnify, defend, and save Company harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property including personal injury or property damage caused by Seller or Seller's employees on account of defective construction, wiring, or equipment, or improper or careless use of electricity, on Seller's side of the point of interconnection.

12. GOVERNMENTAL RESTRICTIONS

The Agreement is subject to the jurisdiction of those governmental agencies having control over either party or over the Agreement. The Agreement shall not become effective until all required governmental authorizations are obtained. Certification of receipt of all permits and authorizations shall be furnished by Seller to Company upon Company's request. The Agreement shall not become effective unless it and all provisions thereof are authorized and permitted by such governmental agencies without change or conditions.

The Agreement shall at all times be subject to changes by such governmental agencies, and the parties shall be subject to conditions and obligations, as such governmental agencies may, from time to time, direct in the exercise of their jurisdiction. Both parties agree to exert their best efforts to comply with all of the applicable rules and regulations of all governmental agencies having control over either party or the Agreement. The parties shall take all reasonable action necessary to secure all required governmental approval of the Agreement in its entirety and without change.

The delivery date, quantity, and type of electricity to be accepted for purchase by Company, from Seller, are subject to changes, restrictions, curtailments, or complete suspensions by Company as may be deemed by it to be necessary or advisable (a) on account of any lawful order or regulation of any municipal, State, or Federal government or agency thereof, or order of any court of competent jurisdiction, or (b) on account of any emergency due to war, or catastrophe, all without liability on the part of the Company therefore.

13. GENERAL

- (a) Whenever the term "purchase" or "purchase of electricity" is used in these Terms and Conditions or other portions of the Agreement, it shall be construed to refer to the electricity supplied to Company by Seller.
- (b) The term "Company's conductors" shall mean Company's wires extending from the point of connection with Company's existing electric system to the point of interconnection.
- (c) The term "Seller's conductors" shall mean Seller's wires extending from the point of interconnection to the switch box or other point where Seller's circuits connect for the purpose of supplying the electricity produced by Seller.
- (d) The term "interconnection" shall mean the connection of Company's conductors to Seller's conductors.

Effective: July 1, 2005

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